

Gulf Marine Services PLC
(‘Gulf Marine Services’, ‘GMS’, ‘the Company’ or ‘the Group’)

OPERATIONAL UPDATE

Gulf Marine Services (LSE: GMS), the leading provider of advanced self-propelled self-elevating support vessels (SESVs) serving the offshore oil, gas and renewable energy sectors, provides the following operational update for the period 1 January 2018 to 21 May 2018, ahead of its AGM today.

GMS announced two charter awards in the MENA region during the period: a 24-month contract for a Mid-Size Class vessel and a 16-month contract extension for a Small Class vessel. These awards have helped the secured backlog (comprising firm and extension options) to increase to US\$ 181.2 million as at 30 April 2018 (31 December 2017: US\$ 171.9 million). A Large Class vessel also recently commenced a 26-month charter for renewables work in Europe, and will be joined later this quarter by another Large Class vessel for a 15-month charter to the same client. (All the above contract lengths include option periods.)

Levels of enquiries and tenders are continuing to increase in the Group’s principal markets. All of GMS’ Large and Mid-Size Class vessels are now contracted. The utilisation¹ rate for the core fleet of 13 SESVs was 64% for Q1 2018. Utilisation for the fleet is expected to improve over 2018 through a combination of several vessels being already mobilised onto new charters and a continued recovery in demand.

Financial Position

The Group’s net debt level (being bank borrowings less cash) at 30 April 2018 was US\$ 398.2 million (31 December 2017: US\$ 372.8 million) with increased working capital requirements and expenditure incurred on mobilising vessels for new contracts. The Board’s view of trading for 2018 remains unchanged, with an improvement on our 2017 results expected as market conditions gradually recover. Net debt levels will reduce as the operating cash flows begin to reflect the improved fleet utilisation together with minimal capital expenditure commitments.

Duncan Anderson, Chief Executive Officer of GMS, said:

“It has been a busy start to the year operationally, with six of our core fleet of 13 SESVs being deployed onto new charters in the first half of 2018. Against the background of continuing relative strength in the oil price, we are making satisfactory progress in recovering our utilisation levels and strengthening our relationships with key strategic clients in the wider MENA region. We would hope to see a progressive improvement in charter rates as market capacity begins to tighten in

2019 and beyond, and a more substantial improvement in our results, benefitting from our high operational gearing.

“We are very proud to have two vessels commencing work in Europe in Q2 2018 to support the construction of Hornsea Project One, the world’s largest offshore wind farm development.

“Our SESV fleet is one of the youngest in the industry, with an average age of just seven years, a significant advantage in the current environment where clients are often excluding older tonnage from tender activities. I am confident that our expertise and reputation for providing meaningful cost efficiencies for our clients makes GMS well-placed to capitalise on a market recovery.”

- Ends -

¹Utilisation is the percentage of available days in a relevant period during which an SESV is under contract and in respect of which a client is paying a day rate for the charter of the SESV, excluding periods during which an SESV is not available for hire due to planned mobilisations, construction or upgrade work.

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Notes to Editors:

Gulf Marine Services PLC, a company listed on the London Stock Exchange, was founded in Abu Dhabi in 1977 and has become the world’s leading provider of advanced self-propelled self-elevating support vessels (SESVs). The fleet serves the oil, gas and renewable energy industries from its offices in the United Arab Emirates, Saudi Arabia and the United Kingdom. The Group’s assets are capable of serving clients’ requirements across the globe, including those in the Middle East, South East Asia, West Africa and Europe.

The GMS core fleet of 13 SESVs is amongst the youngest in the industry, with an average age of seven years. The vessels support GMS’ clients in a broad range of offshore oil and gas platform refurbishment and maintenance activities, well intervention work and offshore wind turbine maintenance work (which are opex-led activities), as well as offshore oil and gas platform installation and decommissioning and offshore wind turbine installation (which are capex-led activities).

The SESVs are categorised by size - Large, Mid-Size and Small Class - with these operating in water depths of 80m, 55m and 45m respectively. The vessels are four-legged and are self-

propelled, which means they do not require tugs or similar support vessels for moves between locations in the field; this makes them significantly more cost-effective and time-efficient than conventional offshore support vessels without self-propulsion. They have a large deck space, crane capacity and accommodation facilities (for up to 300 people) that can be adapted to the requirements of the Group's clients. In addition, an innovative well workover cantilever system commissioned on a Large Class SESV in 2017 allows GMS to increase the well intervention activities carried out from the vessel and to supplant higher cost non-propelled drilling rigs.

Gulf Marine Services PLC's Legal Entity Identifier is 213800IGS2QE89SAJF77

www.gmsuae.com

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